



Office of the City Attorney

Michael P. May, City Attorney

Room 401
210 Martin Luther King, Jr. Boulevard
Madison, Wisconsin 53703-3345
(Phone) 608 266 4511
(TDD) 608 267 8664
(FAX) 608 267 8715
attorney@cityofmadison.com

ASSISTANT CITY ATTORNEYS
Larry W. O'Brien Anne P. Zellhoefer
Robert E. Olsen Lara M. Mainella
James M. Voss Steven C. Briggs
Carolyn S. Hogg Marci Paulsen
Jennifer A. Zilavy Jaime L. Staffaroni
Katherine C. Noonan Jessica Long
Roger A. Allen Andrew Jones
LITIGATION ASSISTANTS
Paul N. Bauman
Patricia Gehler

Public Service Commission of Wisconsin
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September 7, 2006

Edward Marion, Administrative Law Judge
Public Service Commission of Wisconsin
P.O. Box 7854
Madison WI 53707-7854

RE: Application of American Transmission Company, LLC, as an Electric Public Utility, to Construct a New 138 kV Transmission Line from the North Madison Substation to the Huiskamp Substation in the Towns of Vienna and Westport in Dane County, Wisconsin.

Docket No. 137-CE-139

Greetings:

I enclose the City of Madison's Response to Objections of ATC relating to Docket 137-CE-139.

Very truly yours,

Michael P. May
City Attorney

Encl.

cc: Service List
Mayor Dave Cieslewicz
Common Council Members

PUBLIC SERVICE COMMISSION
SERVICE LIST

RE: Application of American Transmission Company, LLC, as an Electric Public Utility, to Construct a New 138 kV Transmission Line from the North Madison Substation to the Huiskamp Substation in the Towns of Vienna and Westport in Dane County, Wisconsin.

Docket No. 137-CE-139

LAUREN L. AZAR
Michael, Best & Friedrich LLP
PO Box 1806
Madison WI 53701-1806

AMERICAN TRANSMISSION COMPANY
Stephen Parker
PO Box 47
Waukesha WI 53187-0047

CITIZENS FOR RESPONSIBLE ENERGY AND
WIRE SAFE WISCONSIN
Robin and Howard Stearns
1101 Bluebeard Trail
Waunakee WI 53597

PUBLIC SERVICE COMMISSION OF WISCONSIN
(not a party, but documents must be filed with the Commission)
610 North Whitney Way
PO Box 7854
Madison WI 53707-7854

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of American Transmission Company, LLC, as an Electric Public Utility, to Construct a new 138kV Transmission Line From the North Madison Substation to the Huiskamp Substation in the Towns of Vienna and Westport in Dane County, Wisconsin.

Docket 137-CE-139

**CITY OF MADISON'S RESPONSE
TO OBJECTIONS OF ATC**

On August 31, 2006, the American Transmission Company (ATC) objected to the Motion to Intervene of the City of Madison and the Motion to Consolidate of the City of Madison. This filing constitutes the City of Madison's response to the objections.

I. The City has Demonstrated Sufficient Interest in this Proceeding to be Granted Intervention as of Right or, Alternatively, Permissive Intervention.

In its Motion to Intervene, the City asserted a number of ways in which it would be injured in fact by the Commission's determination in the Waunakee project. While ATC addresses some of these in its objection, it fails to address the strongest basis for the City's intervention, and inadequately addresses other bases.

A primary reason the City determined to intervene in this docket relates to issues of load growth. The determination of appropriate load growth percentages, the assumptions and methodology that go into load growth calculations, the resultant determinations of need, and consideration of any alternatives to transmission construction are issues in this docket. If the City is not allowed to intervene in this

docket, the City will likely be prejudiced in its ability to participate in future dockets based on the same determinations for Dane County.

ATC claims that the City's concerns are misplaced, because the Waunakee line is based on local considerations. However, that is not what the ATC application states. In Appendix B to the Application, Exhibit B-1, the Management Scope document, ATC states the following:

- “Higher than average electric growth in Dane County, particularly to the west and south of the City of Madison, is creating a need for additional high capacity supplies into the study area. . .” (Page 3 of Appendix B.)
- “Higher than average electric load in Dane County, particularly to the west and south of the City of Madison, is creating a need for additional high capacity supplies into the Dane County area. The demand is projected to grow at a rate of 3.75% a year between 2004 and 2012, compared to 2.5% a year for the entire ATC service area.” (Page 7 of Appendix B.)

In addition, although ATC disavows any reliance on the Energy Initiative Study (EI) in its objection to the City of Madison's Motion to Intervene, ATC's application explicitly relies upon that study:

“ATC, in concert with public advocacy groups and local utilities, has investigated the potential for non-transmission alternatives: new base or peaking generation facilities, energy efficiency measures (conservation), load control (demand side management), and distributed generation resources. The Dane County Energy Initiative has concluded that these measures are not sufficient to keep up with the higher than average load growth in Dane County. It is therefore critical that ATC implement transmission reinforcements to maintain electric service reliability in the Madison area. (Page 7 of Appendix B.)

ATC explicitly cites to the 3.75% load growth identified in the EI. (Page 7 of Appendix B.) Although some public statements of ATC have suggested this figure

would now actually be closer to 3.2%, the fact is that ATC is relying in the EI in this docket, and that same study has been used to justify other Dane County Lines. The load growth projections determined for Dane County in the Waunakee docket will have an impact on future applications for other transmission lines in Dane County. These include the identified Dane County Lines, some of which may be constructed within the City of Madison. Determination of these issues of load growth and need may effectively prejudice the City's ability to participate in future dockets. Therefore, the City has a direct and substantial interest in this docket, and should be allowed to participate as an Intervenor.

In addition to the above, the ATC filing indicates that construction of this line will have a direct impact on service within the City of Madison. While ATC downplays the City's allegation that the Waunakee project will have a direct impact on the interconnected system, the ATC application states otherwise. The ATC need analysis repeatedly cites to potential problems on the Blount – Ruskin lines if the Waunakee project is not undertaken. ATC application, Appendix B, pages 7, 11, 12, 22, 23, and 24. Since loss of load on the Blount – Ruskin line, directly impacting the City of Madison, is one of the stated reasons for construction of the Waunakee project, the City of Madison has a direct interest in the electric reliability within the city, and should be allowed to intervene.

In addition, ATC explicitly relies upon the transfer capability of the Waunakee project. The application states in Appendix B, page 7, that Dane County depends on imported power for about 50% of its needs, and that the construction of the Waunakee project will assist in “bulk power transmission into Dane County.” (ATC Application,

Appendix B, page 9.)

Madison is in Dane County. Madison will be impacted by the asserted need for additional transfer capability of the Waunakee project.

II. The City's Motion to Consolidate or Open a New Docket is Proper And Should Be Granted.

For all of the above reasons, the Commission should reject the objections filed by ATC and grant the City of Madison's Motion to Intervene.

With respect to the City's Motion to Consolidate, ATC argues that other planned transmission lines in Dane County (the Dane County Lines) are not yet pending before the Public Service Commission. Therefore, there is nothing to consolidate. In this instance, ATC is correct that the other proceedings have not yet been filed. And, if the Public Service Commission is limited in its procedures to a strict application of the Wisconsin Rules of Civil Procedure, ATC may be correct with respect to consolidation.

However, the Public Service Commission is not so limited. Under its broad authority to manage its dockets and commence proceedings on its own motion, the Commission certainly has the authority to examine the common questions of load growth, load growth assumptions and methodology, and the resultant need or alternatives to the Dane County Lines in one proceeding. Since, as noted above, ATC explicitly relies upon load growth within the County as the basis for the Waunakee line, such issues are common to the other Dane County Lines.

These issues of load growth and need are county-wide issues and should be examined in one proceeding. Moreover, even if consolidation is technically not possible, Madison's Motion argued in the alternative for a different procedural manner of

taking up the issues. In its Motion (page 4), the City argued that the Commission should either consolidate the dockets, or “open a separate docket solely to deal with issues of load growth, need, joint impact, alternatives to transmission line construction, or combine an examination of these issues in one docket.” If the Commission deemed it necessary from a procedural point of view to open a separate docket to deal with these common issues, the Commission certainly has that authority under Wis. Stats. §196.02(7). Indeed, the Commission’s own rules recognize its authority to initiate such inquiries on its own motion. Wis. Admin. Code, Sec. PSC 2.07(1).

Contrary to ATC’s constricted interpretation of the Commission’s authority, the Commission could order a consolidated hearing in this docket on the joint issues relating to the Dane County Lines, including bifurcation of this docket if appropriate, or could open a new docket in response to the City’s Motion to Consolidate in order to accomplish the same purpose.

For all the above reasons, the City requests that the Commission either consolidate common issues related to load growth, load growth assumptions and methodology common need, and alternatives to the Dane County Lines in this docket, or open a new docket to deal with such issues.

Submitted this _____ day of September, 2006.

CITY OF MADISON

By:

Michael P. May
City Attorney

Address
Office of the City Attorney

Room 401, City-County Bldg.
210 Martin Luther King, Jr. Blvd.
Madison WI 53703
Phone: (608) 266-4511
Fax: (608) 267-8715

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PUBLIC SERVICE COMMISSION OF WISCONSIN

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Docket 137-CE-139

**CITY OF MADISON'S RESPONSE
TO OBJECTIONS OF ATC**

CERTIFICATE OF SERVICE

This is to certify that on _____, 2006, a copy of the City of Madison's Response to Objections of ATC have been provided to all parties of record in the PSC Service List attached hereto, at the addresses listed as follows:

Lauren L. Azar
Michael, Best & Friedrich LLP
PO Box 1806
Madison WI 53701-1806

AMERICAN TRANSMISSION COMPANY
Stephen Parker
PO Box 47
Waukesha WI 53187-0047

CITIZENS FOR RESPONSIBLE ENERGY AND
WIRE SAFE WISCONSIN
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1101 Bluebeard Trail
Waunakee WI 53597

PUBLIC SERVICE COMMISSION OF WISCONSIN

(via electronic transmission)
610 North Whitney Way
PO Box 7854
Madison WI 53707-7854

Dated this _____ day of September, 2006.

Patricia A. Hustad
Legal Secretary to Michael P. May

Address

Office of the City Attorney
Room 401, City-County Building
210 Martin Luther King, Jr. Blvd.
Madison WI 53703-3345
Phone: (608) 266-4511
Fax: (608) 267-8715